

Lockheed Martin Energy Research Corporation
Post Office Box 2008
Oak Ridge, Tennessee 37831-6241

Attention: Richard K. Genung, Executive Vice President

Subject: **Change to Mutual Agreement of Parties for Reporting of Cost Data for Fiscal Year (FY) 1999 and Cost of Fee Provision, Modification to Master Service Agreements between Lockheed Martin Energy Research Corporation and Bechtel Jacobs Company**

Dear Mr. Genung:

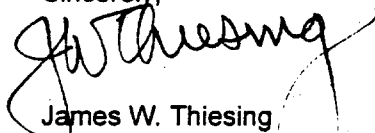
The Bechtel Jacobs Company LLC letter dated September 18, 1999, in which eight (8) elements describing the invoicing and reporting of cost data for FY99 were established, is modified by adding two (2) items as follows:

9. Authorized commitment value will be managed and overruns identified at the individual Work Authorization level.

10. Billings will continue to be done at the Internal Activity Number (IAN) level, not-to-exceed the total value of the work authorization.

Please contact Steve Shook at 241-1151 if you have any questions or need additional information.

Sincerely,



James W. Thiesing
Vice President and General Manager

JWT/SS/cv
PRO-99-0086

CONCURRENCE:

BECHTEL JACOBS COMPANY LLC

**LOCKHEED MARTIN ENERGY RESEARCH
CORPORATION**


James W. Thiesing
Vice President and
General Manager


Richard K. Genung
Executive Vice President

DEPARTMENT OF ENERGY

Peter D. Dayton
Director, Procurement and
Contracts Division

Mr. Richard K. Genung
Page 2
March 8, 1999

c: Jean Dunkirk
Glen Kizer
Ed Lindsay
Bob Lynch
Marv Wollin
File-EMEF-DMC-RC